

CORRECTIONS IMPACT STATEMENT

SESSION: 18RS

BILL #: SB 244 Introduced

BR #: 244

DOC ID#: XXXX

BILL SPONSOR(S): Sen. S. West

AMENDMENT SPONSOR(S):

SUBJECT: AN ACT relating to the direct shipment of wine to consumers.

SUMMARY OF LEGISLATION: Create a new section of KRS Chapter 243 to establish a wine direct shipper license for wine manufacturers, producers, suppliers, importers, wholesalers, and retailers; establish packaging requirements for shipment, require all taxes due to be paid to the Department of Revenue and grant the Department of Revenue audit authority; permit licensees to ship to addresses located in dry and moist territories; amend KRS 243.030 to establish a \$100 initial licensing fee and a \$50 renewal fee; amend KRS 243.990 to make violation of Section 1 of the Act a Class B misdemeanor for the first offense and a Class A misdemeanor for each subsequent offense.

This bill amendment committee substitute is expected to:

Have the following Corrections impact Have no Corrections impact

- | | |
|---|--|
| <input type="checkbox"/> Creates new crime(s) | <input type="checkbox"/> Repeals existing crime(s) |
| <input type="checkbox"/> Increases penalty for existing crime(s) | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input type="checkbox"/> Increases incarceration | <input type="checkbox"/> Decreases incarceration |
| <input type="checkbox"/> Reduces inmate/offender services | <input type="checkbox"/> Increases inmate/offender services |
| <input type="checkbox"/> Increases staff time or positions | <input type="checkbox"/> Reduces staff time or positions |
| <input type="checkbox"/> Changes elements of offense for existing crime(s) | |
| <input checked="" type="checkbox"/> Otherwise impacts incarceration (Explain) <u>Establishes a wine direct shipping license</u> | |

STATE IMPACT: Class A, B & C felonies are based on an average daily prison rate of \$70.12. Most Class D felons are housed in one of 76 full service jails for up to 5 years. DOC's cost to incarcerate a felony inmate in a jail is \$31.45 per day (includes jail per diem, medical & central office costs), not including substance abuse treatment. Projections are based on the daily rate x 365 x number of years.

Projected Impact: NONE MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until disposition of the case. While the expense varies by jail, this estimated impact will be based on \$31.34 per day, which equals the per diem and medical that DOC pays jails to house felony offenders.

Projected Impact: NONE MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

SB 244 establishes a direct shipping license for wine within the Commonwealth or outside the state. The legislation sets limits on the amount that may be sold and shipped. There are also provisions to document the recipient is at least twenty-one (21) years of age. The legislation establishes reporting requirements, tax requirements, and licensing fees.

Shipment from individuals who do not have a valid wine direct shipper license is prohibited. A knowing violation is an unfair trade practice. Violation of section one (1) of the legislation is a Class B misdemeanor for a first offense and a Class A misdemeanor for a second offense, and subject to a fine of up to \$1000 for each offense.

According to AOC data, from FY2015-2017 there was one (1) conviction under KRS 243.990 of Violation of Required Alcohol License 1st offense and zero (0) convictions of Violation of Required Alcohol License 2nd offense. Currently the Department does not have any offenders on supervision for offenses incurred under KRS 243.990.

It is not known how many misdemeanor offenses are incurred under these violations. However, it is assumed that the number of violations incurred under this legislation would be minimal.

A Class B misdemeanor is up to 90 days in jail.
1 Class B misdemeanor: up to \$2,821

10 Class B misdemeanants: up to \$28,206
100 Class B misdemeanants: up to \$282,060

A Class A misdemeanor is 90 days to 1 year in jail
1 Class A misdemeanor: \$2,821 to \$11,439


10 Class A misdemeanants: \$28,206 to \$114,391
100 Class A misdemeanants: \$282,060 to \$1,143,910

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population or that impose new obligations on state or local governments. The Department of Corrections and local jails continue to operate over capacity. Without steps to reduce the population, any legislation that increases population or lengthens the term of incarceration will have a significant impact on correctional operations.

APPROVED BY:



Commissioner, Kentucky Department of Corrections

3/9/2018
Date